BUDGET PARAMETERS
2026-2027 SCHOOL YEAR

Purpose:

To develop parameters that enable the district to provide a financially solvent budget that meets all short-term and long-term obligations and is aligned to the vision, mission, and goals alignment with the LISD balanced scorecard.

Opening Statement:

As the board of trustees prepares to adopt a budget and tax-rate for the upcoming 2026-2027 school year, the following factors will be under continuous analysis during the budget development process*:*

1. Enrollment & Demographic Trends
2. Current Fiscal Year Budget
3. Revenue Projections
4. Improving the Cost-Effectiveness of Operational Expenditures
5. Long-Range Compensation Plan

Key Budget Development Personnel:

- Dr. Don Heseman – Superintendent
- Teresa Montemayor - Chief Financial Officer

Board of Trustees

ASSUMPTIONS AND CONSIDERATIONS

Enrollment & Demographic Trends

ASSUMPTION	CONSIDERATIONS	FINANCIAL IMPLICATIONS
Enrollment Decline	October Snapshot • October 2024-2575 • October 2025- 2405 (170) • Projecting for decrease in 70 student upcoming school year	• Decrease in state funding ○ $435,050 = 70 students x $6,215 (Basic Allotment) ▪ This does not include Special Population weights
Demographic Changes **PEIMS Snapshot Fall 2025**	• Economically Disadvantaged Population Decrease • At-Risk Population Increase • Special Education Program	• Potential need for additional accelerated instruction ○ Funding sources include Title I and State Compensatory Education
Out of District Transfers **5-Year Student Transfer Report.pdf**	• Prior 5 years: Transfer OUT students exceed transfer IN students.	• Approximately 2.5 Million annually loss (Basic Allotment $6,215)
Average Daily Attendance (ADA)	• Key state funding source • Maintain 92% or better district-wide •	• Annual budget is based on enrollment ○ Basic Allotment: $6,215

Current Fiscal Year Budget

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
Cost Increase for Property Insurance	• Insurance premiums continue to rise ○ 2023 premium: $610,548 ○ 2024 Premium: $776,279 ○ 2025 Premium: $749,849	• 2026 projected Remain the same $749,849
98% Tax Collections for both M&O and I&S	• Ensure Bond Obligation Payments • ***ASSUME -VALID Property Value Study***	• Ensure adopted budget receivables • State Revenue
No Change in State Funding	• Deficit budget 2025-2026 •	•
Child Nutrition	• 2025-2026 District Community Eligibility Program- • Free Breakfast and Lunch Districtwide	• Year 1 of FMSC RFP

Revenue Projections

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
Taxable Value Annually	• Historical trend for LISD • Loss in Taxable Value/Compression/HB2	• As local revenues decrease, state revenue increase • VATRE/ No VATRE
HB 3 Tax-Rate Compression	• Projected property value growth, thus upcoming M&O tax-rate compression • 2025-2026 Tax Rate: M&O: $0.8022 I&S: $0.1720	• M&O: $.01 cent equals approximately $149,818 • 2025-2026 Projected Tax Rate: M&O: $0.6854 I&S: $0.1980
Federal Funding (ESSA) **ESSA Overview**	• 2025 Snapshot Data Exhibited all campuses decrease economically disadvantaged	• Revenues based on annual estimates of income and poverty statistics via census bureau
Special Populations State Allotments Overview TEA Guidelines 2024-2025 SOF	• Must meet required threshold spending per program	• Funding based on student demographics submitted to TEA through PEIMS

	Preliminary	Certified	
2026	1,255,193,396.00	1,282,830,204.00	
2025	1,463,170,773.00	1,448,998,552.00	SB4
2024	1,471,145,882.00	1,516,197,071.00	
2023	1,592,026,846.00	1,486,657,562.00	SB2
2022	1,459,187,702.00	1,449,435,288.00	
2021	1,082,032,356.00	1,090,586,986.00	
2020	1,156,929,319.00	1,205,340,342.00	

Revenue Changes due to Value Decrease:

Values only: $26,984

VATRE: $39,656

No VATRE: -$ 2,864,833

Only Values Not ADA Calculated

Long-Range Compensation Plan

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
Pay Raises	• 2021-2022- 4% • 2022-2023- 3% • 2023-2024- 3% • 2024-2025- No Increase • 2025-2026 3% & HB2 Changes • Substitute Pay • Ensure market competitiveness	2026-2027 – April Start • Staffing Guidelines • Evaluate TASB survey study to ensure market competitiveness • Sped Stipends • Sign on Bonus- Math, ELAR, and Science • Math, ELAR, and Science- Per Class Stipends • TIA Coverage
Employee Benefits	• Health Insurance District Contribution per Employee: ○ $335.00 Monthly • Voluntary Insurance Products Offered via TPA,	• Maintain current contributions

Improving the Cost-Effectiveness of Operational Expenditures

ASSUMPTION	CONSIDERATIONS	BUDGET IMPLICATIONS
Campus Budgets	• Enrollment by campus (snapshot data) • Based on per pupil allotment Allocations: • Basic Allotment • Library • Staff Development • Health Services • Physical Education • State Compensatory • Gifted & Talented • Special Education • Dyslexia • Career & Technical • Bilingual	• Reduce approximate levels campus budget allocations ensuring cost-effectiveness across all areas
Department Budgets	• Needs assessment drives budget allocation • Identifying areas to reduce expenses	• Reduce department/operating expenditures • Reduce in areas that are feasible
Prioritize Federal Programs Funding – Title I	• Title I Budget ○ $751K	• Possible Reduction on Federal Funds.

Continuous monitoring of all revenue and expenditures in anticipation of a deficit budget. Monitoring will allow LISD to make informed decisions and be responsive to new information through the budget development process.

Projections 2026-2027

No VATRE .8834 M&O: $0.6854
I & S: $0.1980

Local and State Fund Reduced Combined For Disaster Pennies Estimated $2,500,000- $2,900,000

ADA Decrease/Tier Loss/Allotment/Early Ed Revenue = -$619,597

Salary Increase =$837,250
Reduction in General Op Budget Accounts -$800,000
Electricity Budget
Natural Gas Budget
Districtwide Supplies
Yearly Projected Vacancies-$350,000
Campus and Department Gen Op Reductions $267,191

-$2,904,489

VATRE .9742 M&O: $0.7954 (.0068)
I & S: $0.1788

Local and State Fund Reduced Combined For Disaster Pennies Estimated Keep **$2,000,000 - $2,500,000**

ADA Decrease/Tier Loss/Allotment/Early Ed Revenue = -$619,597

Salary Increase =$837,250
Reduction in General Op Budget Accounts -$800,000
Electricity Budget
Natural Gas Budget
Districtwide Supplies
Yearly Projected Vacancies-$350,000
Campus and Department Gen Op Reductions- $267,191

Balanced Budget

Estimated Costs of Recommendations

These estimates are based on employee pay data collected at the beginning of the pay study and are reflective of a snapshot in time.

		Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2025-2026 Current Costs
	Teachers					
	$46,000 starting salary	**174**		**$160,843**		**$10,017,549**
	Teacher Retention Allotment		16	$46,000	0.5%	
1f	General pay increase - 1.0% ($600)		174	$104,744	1.0%	
	Adjustments - hiring schedule equity & adjustment to years 6, 11-20		60	$10,099	0.1%	
	Administrative Professional	**52**		**$75,713**		**$3,964,747**
1c	General pay increase - 1.0% of pay range midpoint		50	$38,855	1.0%	
	General pay increase - 1.0% to employees over range max		2	$875	0.0%	
	Adjustments - 1.0% above pay range minimum		1	$641	0.0%	
	Adjustments - teacher pay equity		9	$35,342	0.9%	
	Clerical Paraprofessional	**108**		**$50,098**		**$2,534,316**
1c	General pay increase - 1.0% of pay range midpoint		104	$26,117	1.0%	
	General pay increase - 1.0% to employees over range max		4	$919	0.0%	
	Adjustments - placement scale		32	$23,062	0.9%	
	Auxiliary	**84**		**$49,517**		**$2,084,103**
1c	General pay increase - 1.0% of pay range midpoint		77	$19,472	0.9%	
	General pay increase - 1.0% to employees over range max		7	$2,878	0.1%	
	Adjustments - 1.0% above pay range minimum		2	$6,032	0.3%	
	Adjustments - placement scale		42	$21,135	1.0%	
	Subtotal - General Pay Increase		**418**	**$193,860**	**1.0%**	
	Subtotal - Teacher Retention Allotment		**16**	**$46,000**	**0.2%**	
	Subtotal - Implementation/Equity Adjustments		**146**	**$96,311**	**0.5%**	
	Total Cost Estimate	**418**		**$336,171**	**1.8%**	**$18,600,715**

Footnotes:

1c ***Pay increases were applied to all employees and itemized separately for employees at or above the maximum rate.***

1f ***Pay increases were applied to all employees, including those receiving the TRA.***

		Total Staff	Count of Increases	Cost Increase	Percent of Current Costs	2025-2026 Current Costs
	Teachers					
	$47,300 starting salary	**174**		**$360,833**		**$10,017,549**
	Teacher Retention Allotment		16	$46,000	0.5%	
1f	General pay increase - 3.0% ($1,800)		174	$314,202	3.1%	
	Adjustments - hiring schedule equity		2	$631	0.0%	
	Administrative Professional	**52**		**$154,584**		**$3,964,747**
1c	General pay increase - 3.0% of pay range midpoint		49	$119,237	3.0%	
	General pay increase - 3.0% to employees over range max		3	$1,823	0.0%	
	Adjustments - 1.0% above pay range minimum		1	$131	0.0%	
	Adjustments - teacher pay equity		9	$33,393	0.8%	
	Clerical Paraprofessional	**108**		**$99,666**		**$2,534,316**
1c	General pay increase - 3.0% of pay range midpoint		104	$79,372	3.1%	
	General pay increase - 3.0% to employees over range max		4	$2,552	0.1%	
	Adjustments - placement scale		21	$17,742	0.7%	
	Auxiliary	**84**		**$82,667**		**$2,084,103**
1c	General pay increase - 3.0% of pay range midpoint		77	$57,912	2.8%	
	General pay increase - 3.0% to employees over range max		7	$8,616	0.4%	
	Adjustments - 1.0% above pay range minimum		1	$4,867	0.2%	
	Adjustments - placement scale		12	$11,272	0.5%	
	Subtotal - General Pay Increase		**418**	**$583,714**	**3.1%**	
	Subtotal - Teacher Retention Allotment		**16**	**$46,000**	**0.2%**	
	Subtotal - Implementation/Equity Adjustments		**46**	**$68,036**	**0.4%**	
	Total Cost Estimate	**418**		**$697,750**	**3.8%**	**$18,600,715**

Footnotes:

1c ***Pay increases were applied to all employees and itemized separately for employees at or above the maximum rate.***

1f ***Pay increases were applied to all employees, including those receiving the TRA.***

Model 1				
Pay Group	Teacher Retention Allotment	General Pay Increase	Adjustments	Estimated Total Increase
Teachers	$42,000	$104,744	$10,099	$156,843
Administrative Professional	$0	$39,730	$35,983	$75,713
Clerical Paraprofessional	$0	$27,036	$23,062	$50,098
Auxiliary	$0	$22,350	$27,167	$49,517
Total	**$42,000**	**$193,860**	**$96,311**	**$332,171**
% of Current Costs	**0.2%**	**1.0%**	**0.5%**	**1.8%**

Model 2				
Pay Group	Teacher Retention Allotment	General Pay Increase	Adjustments	Estimated Total Increase
Teachers	$42,000	$314,202	$631	$356,833
Administrative Professional	$0	$121,060	$33,524	$154,584
Clerical Paraprofessional	$0	$81,924	$17,742	$99,666
Auxiliary	$0	$66,528	$16,139	$82,667
Total	**$42,000**	**$583,714**	**$68,036**	**$693,750**
% of Current Costs	**0.2%**	**3.1%**	**0.4%**	**3.7%**

Teachers Salary Plan Development

Levelland ISD

Model 2: $47,300 starting, 3.0% GPI

2025-2026 Years of Exp		2025-2026 New Hire Salary	+	TRA	+	3.0% General Pay Increase	+	Additional Adjustment	=	2026-2027 Years of Exp		2026-2027 Proposed New Hire Salary	Current Market Median Value	Compare Before	Compare After	Exp Diff
													0 Years			
										0	→	**$47,300**	**47,500**	**97%**	**100%**	
0	→	$46,000	+		+	$1,800	+		=	**1**		**$47,800**				500
1		$46,500	+		+	$1,800	+		=	**2**		**$48,300**				500
2		$47,000	+	$2,000	+	$1,800	+		=	**3**		**$50,800**				2,500
3		$49,500	+		+	$1,800	+		=	**4**		**$51,300**	*5 Years*			500
4		$50,000	+	$4,000	+	$1,800	+		=	**5**		**$55,800**	**55,960**	**97%**	**100%**	4,500
5		$54,500	+		+	$1,800	+		=	**6**		**$56,300**				500
6		$55,400	+		+	$1,800	+		=	**7**		**$57,200**				900
7		$56,000	+		+	$1,800	+		=	**8**		**$57,800**				600
8		$56,600	+		+	$1,800	+		=	**9**		**$58,400**	*10 Years*			600
9		$57,200	+		+	$1,800	+		=	**10**		**$59,000**	**59,525**	**97%**	**99%**	600
10		$57,800	+		+	$1,800	+		=	**11**		**$59,600**				600
11		$58,500	+		+	$1,800	+		=	**12**		**$60,300**				700
12		$59,200	+		+	$1,800	+		=	**13**		**$61,000**				700
13		$59,900	+		+	$1,800	+		=	**14**		**$61,700**	*15 Years*			700
14		$60,600	+		+	$1,800	+		=	**15**		**$62,400**	**63,172**	**97%**	**99%**	700
15		$61,400	+		+	$1,800	+		=	**16**		**$63,200**				800
16		$62,300	+		+	$1,800	+		=	**17**		**$64,100**				900
17		$63,200	+		+	$1,800	+		=	**18**		**$65,000**				900
18		$63,900	+		+	$1,800	+		=	**19**		**$65,700**	*20 Years*			700
19		$64,600	+		+	$1,800	+		=	**20+**		**$66,400**	**67,335**	**97%**	**99%**	700
20+		$65,300														

General pay increase is applied to the market median salary ($60,863).

Levelland ISD

2026-2027 New Hire Guide for Teachers

Model 2: $47,300 starting, 3.0% GPI

Years of Experience	New Hire Salary
0	$47,300
1	$47,800
2	$48,300
3	$50,800
4	$51,300
5	$55,800
6	$56,300
7	$57,200
8	$57,800
9	$58,400
10	$59,000
11	$59,600
12	$60,300
13	$61,000
14	$61,700
15	$62,400
16	$63,200
17	$64,100
18	$65,000
19	$65,700
20+	$66,400

Continuing Teachers will receive an increase of $1,800

The salaries listed above are based on 10-month employment for the 2026-2027 school year. Salary plans are determined on an annual basis and salary advancement is not guaranteed. Pay increases are based on the annual pay raise budget approved by the Board of Trustees.

$1,000 Master's Degree - General Stipend

LEVELLAND ISD
FOOD SERVICE
2026-2027 BUDGET
FUND 240

PRELIMINARY BUDGET

	FUNCTION	FUNCTION
EXPENDITURES	**35**	**41**
6100-Payroll Costs	580,000	165,000
6200-Contracted Services	30,000	500
6300-Supplies	691,000	1,500
6400-Other Operating	5,000	0
6500-Debt Service	0	0
6600-Capital Outlay	0	0
GRAND TOTAL EXPENDIT	**1,306,000**	**167,000**

			PERCENT	DOLLAR
	2026-2027	2025-2026	INCREASE	INCREASE
EXPENDITURES	**TOTALS**	**TOTALS**	**(DECREASE)**	**(DECREASE)**
6100-Payroll Costs	745,000	592,000	25.84%	153,000
6200-Contracted Services	30,500	186,585	-83.65%	(156,085)
6300-Supplies	692,500	1,351,500	-48.76%	(659,000)
6400-Other Operating	5,000	2,000	150.00%	3,000
6500-Debt Service	0	0	0.00%	0
6600-Capital Outlay	0	0	0.00%	0
GRAND TOTAL EXPENDIT	**1,473,000**	**2,132,085**	**-30.91%**	**(659,085)**

FUNCTION LEGEND	
35	Food Services

	2026-2027	2025-2026	INCREASE	INCREASE
REVENUES	**TOTALS**	**TOTALS**	**(DECREASE)**	**(DECREASE)**
5700-Local Revenues	50,000	20,000	150.00%	30,000
5800-State Revenues	5,000	22,000	-77.27%	(17,000)
5900-Federal Revenues	1,468,000	2,140,085	-31.40%	(672,085)
7000-Transfers In		0	0.00%	0
GRAND TOTAL REVENUES	**1,523,000**	**2,182,085**	**-30.20%**	**(659,085)**

8900-INDIRECT COST TRA	**(50,000)**	**(50,000)**	**0.00%**	**0**

Budget Surplus (Deficit)	**0**	**0**	**0.00%**	**0**